

1-1 By: Schwertner S.B. No. 519
 1-2 (In the Senate - Filed February 10, 2015; February 18, 2015,
 1-3 read first time and referred to Committee on Health and Human
 1-4 Services; March 23, 2015, reported adversely, with favorable
 1-5 Committee Substitute by the following vote: Yeas 9, Nays 0;
 1-6 March 23, 2015, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 519 By: Schwertner

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to the registration of dental support organizations;
 1-22 imposing a fee; requiring an occupational registration; providing a
 1-23 civil penalty.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Subtitle A, Title 5, Business & Commerce Code, is
 1-26 amended by adding Chapter 73 to read as follows:

1-27 CHAPTER 73. REGISTRATION OF DENTAL SUPPORT ORGANIZATIONS

1-28 Sec. 73.001. DEFINITIONS. In this chapter:

1-29 (1) "Business support services" means business,
 1-30 management, consulting, or administrative services, facilities, or
 1-31 staff provided for a dentist, including:

1-32 (A) office space, furnishings, and equipment;

1-33 (B) staff employed by the dental support
 1-34 organization;

1-35 (C) regulatory compliance;

1-36 (D) inventory or supplies, including dental
 1-37 equipment and supplies;

1-38 (E) information systems;

1-39 (F) marketing and advertising;

1-40 (G) financial services;

1-41 (H) accounting, bookkeeping, or monitoring or
 1-42 payment of accounts receivable;

1-43 (I) payroll or benefits administration;

1-44 (J) billing and collection for services and
 1-45 products;

1-46 (K) reporting and payment of federal or state
 1-47 taxes;

1-48 (L) administration of interest expense or
 1-49 indebtedness incurred to finance the operation of a business; or

1-50 (M) insurance services.

1-51 (2) "Dental support organization" means an entity
 1-52 that, under an agreement, provides two or more business support
 1-53 services to a dentist.

1-54 (3) "Dentist" means an individual licensed to practice
 1-55 dentistry in this state.

1-56 Sec. 73.002. REGISTRATION REQUIRED. (a) A dental support
 1-57 organization shall annually register with the secretary of state.

1-58 (b) A dental support organization's registration under this
 1-59 section is considered registration of any subsidiary, contractor,
 1-60 or affiliate of the dental support organization through or with

2-1 which the dental support organization provides business support
 2-2 services.
 2-3 Sec. 73.003. EXEMPTIONS. This chapter does not require
 2-4 registration by:
 2-5 (1) an accountant providing only accounting services;
 2-6 (2) an attorney providing only legal counsel;
 2-7 (3) an insurance company or insurance agent providing
 2-8 only insurance policies to a business; and
 2-9 (4) entities providing only investment and financial
 2-10 advisory services.
 2-11 Sec. 73.004. CONTENTS OF REGISTRATION; FEE. (a) The
 2-12 registration required by Section 73.002 must include:
 2-13 (1) the name and business address of the dental
 2-14 support organization;
 2-15 (2) the name and business address of each dentist in
 2-16 this state with which the dental support organization has entered
 2-17 into an agreement to provide two or more business support services;
 2-18 (3) the name of each dentist who owns 10 percent or
 2-19 more of the dental support organization;
 2-20 (4) the name of each person who is not a dentist and
 2-21 owns 10 percent or more of the dental support organization; and
 2-22 (5) a list of all business support services provided
 2-23 to each dentist.
 2-24 (b) A registration and each corrected registration must be
 2-25 accompanied by a fee set by the secretary of state in an amount
 2-26 necessary to recover the costs of administering this chapter.
 2-27 (c) A registration or corrected registration is not
 2-28 effective until the dental support organization pays the fee
 2-29 required by this section.
 2-30 Sec. 73.005. TIMING OF REGISTRATION; CORRECTION REQUIRED.
 2-31 (a) Except as provided by Subsection (b), the registration
 2-32 required by Section 73.002 must be filed with the secretary of state
 2-33 not later than January 31 of each year for which the registration is
 2-34 effective.
 2-35 (b) A dental support organization that initially meets the
 2-36 requirement for registration under Section 73.002 after January 31
 2-37 shall file the registration required by that section not later than
 2-38 the 90th day after the date an agreement to provide business support
 2-39 services is executed.
 2-40 (c) A dental support organization shall file a corrected
 2-41 registration each quarter as necessary.
 2-42 Sec. 73.006. FAILURE TO FILE REGISTRATION OR CORRECTION.
 2-43 (a) A person who fails to file a registration or a corrected
 2-44 registration as required by this chapter is liable to the state for
 2-45 a civil penalty in an amount not to exceed \$1,000.
 2-46 (b) Each day a violation continues or occurs is a separate
 2-47 violation for the purpose of imposing the civil penalty.
 2-48 (c) The attorney general shall file suit to collect the
 2-49 civil penalty provided by this section. The suit may be filed in
 2-50 Travis County or any county where the dental support organization
 2-51 provides business support services.
 2-52 Sec. 73.007. INTERAGENCY MEMORANDUM. The secretary of
 2-53 state and the State Board of Dental Examiners shall enter into an
 2-54 interagency memorandum to share the information collected by the
 2-55 secretary of state under this chapter with the board.
 2-56 Sec. 73.008. APPLICABILITY. This chapter does not limit
 2-57 nonclinical business support services that may be provided to a
 2-58 dentist by a dental support organization.
 2-59 SECTION 2. Sections 254.019(a), (b), and (c), Occupations
 2-60 Code, are amended to read as follows:
 2-61 (a) In this section:
 2-62 (1) "Business support services" has the meaning
 2-63 assigned by Section 73.001, Business & Commerce Code ["Dental
 2-64 service agreement" means an agreement between a dental service
 2-65 organization and a dentist under which the dental service
 2-66 organization will:
 2-67 [~~(A) provide services related to the nonclinical~~
 2-68 ~~business aspects of a dental practice, including arranging or~~
 2-69 ~~providing financing, performing billing or payroll tasks,~~

3-1 ~~processing patient insurance claims, scheduling or otherwise~~
3-2 ~~interacting with patients, and performing other administrative~~
3-3 ~~tasks,~~

3-4 ~~[(B) supervise or manage the employees or~~
3-5 ~~contractors of the dentist, or~~

3-6 ~~[(C) employ or otherwise contract with a dentist~~
3-7 ~~in the dentist's capacity as a dentist].~~

3-8 (2) "Dental support ~~[service]~~ organization" has the
3-9 meaning assigned by Section 73.001, Business & Commerce Code ~~[means~~
3-10 ~~an entity that:~~

3-11 ~~[(A) is owned wholly or partly by a person who is~~
3-12 ~~or is not a dentist, and~~

3-13 ~~[(B) under a dental service agreement, provides~~
3-14 ~~or offers to provide services to a dentist or employs or otherwise~~
3-15 ~~contracts with a dentist in the dentist's capacity as a dentist].~~

3-16 (b) The board shall collect the following information from
3-17 dentists licensed by the board in conjunction with the issuance and
3-18 renewal of each dental license:

3-19 (1) the number and type of dentists employed by the
3-20 license holder, if any;

3-21 (2) the name under which the license holder provides
3-22 dental services and each location at which those services are
3-23 provided by that license holder;

3-24 (3) whether the license holder is a participating
3-25 provider under the Medicaid program operated under Chapter 32,
3-26 Human Resources Code, or the child health plan program operated
3-27 under Chapter 62, Health and Safety Code;

3-28 (4) whether the license holder ~~[is employed by or]~~
3-29 contracts or enters into an agreement for business support services
3-30 with a dental support ~~[service]~~ organization and, if so, the name
3-31 and address of the dental support ~~[service]~~ organization;

3-32 (5) whether the license holder owns all or part of a
3-33 dental support ~~[service]~~ organization and, if so, the name and
3-34 address of the dental support ~~[service]~~ organization and of each
3-35 dental office at which the dental support ~~[service]~~ organization
3-36 provides services to patients;

3-37 (6) whether the license holder is a party to a dental
3-38 support ~~[service]~~ agreement and, if so, the name and address of the
3-39 dental support ~~[service]~~ organization that provides services under
3-40 the agreement; and

3-41 (7) if the license holder owns all or part of a dental
3-42 support ~~[service]~~ organization, whether the license holder's
3-43 [that] practice is a party to a dental support ~~[service]~~ agreement
3-44 and, if so, the name and address of the dental support ~~[service]~~
3-45 organization that provides services under the agreement.

3-46 (c) If requested by the board, a dental support ~~[service]~~
3-47 organization shall provide to the board the address of the
3-48 locations where the organization provides business support
3-49 ~~[dental]~~ services in this state and the name of each dentist
3-50 providing dental services at each location.

3-51 SECTION 3. Notwithstanding Section 73.002, Business &
3-52 Commerce Code, as added by this Act, a dental support organization
3-53 is not required to register under that section before February 1,
3-54 2016.

3-55 SECTION 4. This Act takes effect September 1, 2015.

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